

BEFORE THE
ILLINOIS COMMERCE COMMISSION

IN THE MATTER OF:)
)
ILLINOIS COMMERCE COMMISSION ON)
ITS OWN MOTION,)
)
vs.) No. 11-0498
)
COMMONWEALTH EDISON COMPANY)
)
Investigation of Commonwealth)
Edison Company's supply rate)
design and related matters.)

Chicago, Illinois
November 3, 2011

Met pursuant to notice at 10:30 a.m.

BEFORE :

MS. CLAUDIA SAINSOT, Administrative Law Judge.

APPEARANCES :

MR. JOHN FEELEY and
MR. JOHN L. SAGONE
160 North LaSalle Street, Suite C-800
Chicago, Illinois 60601
Appearing on behalf of Staff;

SIDLEY AUSTIN, LLP, by
MR. G. DARRYL REED
One South Dearborn Street
Chicago, Illinois 60603

-and-

EXELON BUSINESS SERVICES, by
MR. EUGENE BERNSTEIN
10 South Dearborn Street, 49th Floor
Chicago, Illinois 60603

Appearing on behalf of Commonwealth Edison
Company;

1 APPEARANCES: (CONT'D)

2 MS. EVE MORAN
128 South Halsted Street
3 Chicago, Illinois 60661
Appearing on behalf of ICEA;

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5 MR. RONALD JOLLY
30 North LaSalle Street, Suite 1400
Chicago, Illinois 60602
6 Appearing on behalf of the City of Chicago;

7 MR. MICHAEL BOROVIK and
MS. CATHY YU
8 100 West Randolph Street
Chicago, Illinois 606
9 Appearing on behalf of the People of the
State of Illinois;

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11 MS. KRISTIN MUNSCH
309 West Washington Street, Suite 800
Chicago, Illinois 60606
12 Appearing on behalf of CUB
(Telephonically).

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21 SULLIVAN REPORTING COMPANY, by
22 Tracy L. Overocker, CSR

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I N D E X

<u>Witnesses:</u>	<u>Direct</u>	<u>Cross</u>	<u>Re-</u> <u>direct</u>	<u>Re-</u> <u>cross</u>	<u>By</u> <u>Examiner</u>
None.					

E X H I B I T S

<u>Number</u>	<u>For Identification</u>	<u>In Evidence</u>
None	so	marked.

1 JUDGE SAINOT: By the authority vested in me
2 by the Illinois Commerce Commission, I now call
3 Docket No. 11-0498. It is the matter of the Illinois
4 Commerce Commission on its own motion versus the
5 Commonwealth Edison Company and it is an
6 investigation of Commonwealth Edison Company's supply
7 rate design and related matters.

8 Will the parties identify themselves
9 for the record, please.

10 MR. REED: G. Darryl Reed of the law firm
11 Sidley Austin, One South Dearborn, Chicago 60603 on
12 behalf of the respondent, Commonwealth Edison
13 Company, also Eugene Bernstein, Exelon BSC, 10 South
14 Dearborn, Chicago 60603 also on behalf of the
15 respondent, Commonwealth Edison Company.

16 MR. SAGONE: On behalf of Staff witnesses of
17 the Illinois Commerce Commission, John Sagone and
18 John Feeley, 160 North LaSalle Street, Suite C-800,
19 Chicago 60601.

20 MR. BOROVNIK: On behalf of the People of the
21 State of Illinois, Michael Borovnik and Cathy Yu,
22 spelling Y-u, 100 West Randolph Street, Chicago,

1 Illinois 60601.

2 MS. MORAN: Eve Moran, 128 South Halsted
3 Street, Chicago, Illinois 60661 appearing on behalf
4 of the Illinois Competitive Energy Association.

5 MR. JOLLY: On behalf of the City of Chicago,
6 Ronald D. Jolly, 30 North LaSalle, Suite 1400,
7 Chicago, Illinois 60602.

8 JUDGE SAINSOT: Okay. Mr. Reed, would you like
9 to proceed?

10 MR. JOLLY: CUB.

11 MS. MUNSCH: Your Honor --

12 JUDGE SAINSOT: I'm sorry. Go ahead.

13 MS. MUNSCH: Kristin Munsch on behalf of the
14 Citizens Utility Board, 309 West Washington, Suite
15 800, Chicago, Illinois 60606.

16 JUDGE SAINSOT: Anybody else on the phone?

17 (No response.)

18 JUDGE SAINSOT: Okay. Mr. Reed, you can
19 proceed.

20 MR. REED: Thank you, your Honor. ComEd, Staff
21 and the intervening parties have held numerous
22 collaborative sessions; and at the onset concluded it

1 would be better to bifurcate the issues identified in
2 the Commission's initiating order as one is primarily
3 supply-related and the other addresses a delivery
4 services issue.

5 Since our initial status hearing,
6 Commonwealth Edison Company has provided information
7 requested by Staff and the parties that address both
8 issues.

9 With respect to delivery services, the
10 parties explored the impact of a reallocation of the
11 noncoincident peak-related delivery cost on various
12 customer classes in accordance with the methodology
13 recommended to the Commission in Docket 10-0467.

14 Upon a review of this information, it
15 was determined that the impact of the reallocations
16 to the residential customer class would be relatively
17 small. We did not actively pursue the impact on
18 other classes as that was deemed beyond the scope of
19 the initiating order and the due process rights of
20 the nonintervening parties that could be impacted by
21 such a reallocation had to be preserved.

22 Commonwealth Edison, Staff -- excuse

1 me. Commonwealth Edison Company and the parties
2 agreed to a proposal that was not opposed to by Staff
3 that would result in the drafting of a stipulation
4 asking the Commission to conclude the delivery
5 services portion of this docket without a change to
6 rates and defer a resolution of this issue to the
7 next proceeding with some sort of mandatory -- some
8 sort of provision for a mandatory filing or discovery
9 commitment on Commonwealth Edison's part that would
10 address a reallocation of noncoincidental
11 peak-related delivery costs among the various
12 classes.

13 We ask that you agree with the
14 consensus of the parties and set a date by which a
15 stipulation would be filed in this proceeding.

16 With respect to the supply-related
17 issues, the collaborative meetings have focused on
18 the phaseout of the subsidy and supply charges
19 imbedded in the current supply rates. If the subsidy
20 is phased out, we must be cognizant of any rate shock
21 impacts that could be caused by a nondeliberative
22 process.

1 In light of this fact, Commonwealth
2 Edison has provided analyses as requested by Staff
3 and the other parties showing the impact on customer
4 rates under various scenarios. We have proposed to
5 file testimony on December the 15th, 2011, presenting
6 several approaches to the elimination of the existing
7 subsidy and supply charges. This data assumes that
8 the parties who are still considering a specific --
9 or specific approaches to the phaseout would request
10 further analyses from ComEd that impose no more than
11 a relatively modest burden on ComEd's resources.

12 Pursuant to an off-the-record
13 discussion held between Staff and the parties this
14 morning, I believe it was agreed upon that we would
15 endeavor to file a stipulation on the delivery
16 services side issues on December the 15th in concert
17 with our testimony addressing supply side-related
18 issues as I've previously articulated.

19 JUDGE SAINSOT: Okay. And did you mention the
20 status hearing?

21 MR. REED: Oh, excuse me.

22 JUDGE SAINSOT: That's all right.

1 Does anybody have anything to add
2 before we do the status hearing? Anything to add or
3 modify?

4 (No response.)

5 JUDGE SAINSOT: Okay. That being the case, I
6 will add that we will have a status hearing shortly
7 before Christmas on December 19th at 1:30 p.m. and
8 we'll see where we are from there.

9 Okay. Anything else?

10 MR. BERNSTEIN: Your Honor, before you --
11 before we lose the parties on the phone, the parties
12 have agreed informally to have a conference call this
13 Monday relating to this additional scenario that
14 Mr. Reed referred to and I have not apprised the
15 parties, but I'd like to use this number -- this need
16 not be on the record, by the way.

17 (Discussion off the record.)

18 JUDGE SAINSOT: Okay. Thanks. Have a good
19 day, everybody.

20 (Whereupon, the hearing in the
21 above-entitled matter was continued
22 until December 19, 2011 at 1:30 p.m.)